

## Message Text

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46

ACTION EB-07

INFO OCT-01 EUR-12 EA-10 ISO-00 AID-05 CEA-01 CIAE-00

COME-00 FRB-01 INR-07 IO-10 NEA-10 NSAE-00 OPIC-06

SP-02 TRSE-00 CIEP-02 LAB-04 SIL-01 OMB-01 DODE-00

DOTE-00 FMC-02 CG-00 OFA-01 DLOS-04 PA-02 USIA-15

PRS-01 STR-04 AGR-10 L-03 /122 W

----- 082391

R 181311Z JUN 75

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 4195

INFO USMISSION OECD PARIS

AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY DUBLIN

AMEMBASSY COPENHAGEN

AMEMBASSY STOCKHOLM

AMEMBASSY HESINKI

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY OTTAWA

AMEMBASSY ATHENS

AMEMBASSY TOKYO

AMEMBASSY OSLO

AMEMBASSY MADRID

AMEMBASSY LISBON

AMEMBASSY THE HAGUE

UNCLAS BRUSSELS 5444

E.O. 11652: NA

TAGS: EWWT, OECD

SUBJECT: SUMMARY OF OECD WORKING PARTY NO. 6 ON SHIPBUILDING

MEETINGS OF JUNE 12-13, 1975

THE WORKING PARTY SUBGROUP ON SHIPBUILDING SUPPLY AND

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DEMAND CONFIRMED DISMAL LONG-TERM PROSPECTS FOR THE SHIPBUILDING

INDUSTRY DUE TO THE COLLAPSE OF THE TANKER MARKET. ALL DELEGATIONS EXPRESSED CONCERN OVER A CONSEQUENT RETURN TO CUTTHROAT COMPETITION IN THE INDUSTRY AND URGED CONTINUED ADHERENCE TO WORKING PARTY PRINCIPLES. WITH THE EXCEPTION OF JAPAN, WORKING PARTY MEMBERSHIP LOOKS TO THE WORKING PARTY ITSELF FOR ESTABLISHMENT OF MECHANISMS TO BALANCE SHIPBUILDING CAPACITY WITH DECLINING MARKET DEMAND. IT WAS FINALLY AGREED THAT THE W.P. SECRETARIAT, IN CONCERT WITH A SMALL GROUP OF W.P. MEMBERSHIP, WILL PRESENT A LIST OF POSSIBILITIES TO AMELIORATE SHIPBUILDING OVER CAPACITY AT NEXT MEETING OF THE WORKING PARTY SCHEDULED FOR OCTOBER.

WITH REGARD TO RECENT GOVERNMENT ACTIONS CONCERNING SHIPBUILDING, THE U.K. PRESENTED PAPERS EXPLAINING IMMINENT NATIONALIZATION OF MOST BRITISH YARDS AND A NEW INFLATION INSURANCE SCHEME APPLICABLE TO SHIP EXPORTS. DISCUSSION OF INFLATION INSURANCE SCHEMES PROMPTED SEVERAL DELEGATES TO REQUEST THAT FINLAND, ITALY, FRANCE AND THE U.K. ELOUCIDATE THEIR INFLATION INSURANCE SCHEMES AT THE NEXT W.P. MEETING, ALTHOUGH IT IS GENERALLY ACKNOWLEDGED THAT SUCH SCHEMES ARE NOT A BREACH OF THE GENERAL UNDERSTANDING ON EXPORT CREDITS. THE FRENCH DELEGATE MENTIONED FURTHER FUTURE MERGERS OF MAJOR FRENCH YARDS TO COORDINATE AND RATIONALIZE PRODUCTION WITHOUT INCREASING CAPACITY.

THE SPANISH DELEGATION PRESENTED A NOTE RATIONALIZING THEIR SLOW ADHERENCE TO THE GENERAL ARRANGEMENT, AND A RATHER HEATED ARGUMENT ISSUED BETWEEN THE BELGIAN AND FRENCH DELEGATIONS CONCERNING FRENCH REFUSAL TO TOTALLY ABOLISH DIRECT SUBSIDY.

PROGRESS OF WORK ON THE SECOND PHASE OF THE GENERAL ARRANGEMENT IS SLOW AND WILL HOPEFULLY BE HASTENED BY BILATERAL AND MULTILATERAL CONSULTATIONS OF W.P. DELEGATIONS TO GENERATE FURTHER REMOVAL OF OBSTACLES TO COMPETITION.

A FINAL DRAFT REVISION OF CLAUSE 6 AND ITS APPLICATION PROCEDURE CONCERNING EXPORT CREDIT TERMS FOR SALE OF VESSELS TO DEVELOPING COUNTRIES WAS APPROVED BY THE WORKING PARTY FOR PRESENTATION BY O.E.C.D. TO UNCATAD. IN CONNECTION WITH EXPORT CREDITS, A NOTE BY THE NETHERLANDS DELEGATION CONCERNING CERTAIN OF THEIR EXPORT CREDIT PROCEDURES WAS ROUNDLY CRITIZED UNCLASSIFIED

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BY W.P. MEMBERSHIP AND A DISCUSSION OF SAME WILL BE CONTINUED AT THE OCTOBER MEETING. FIRESTONE

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SHIPBUILDING INDUSTRY, PROGRESS REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition Event:**  
**Disposition History:** n/a  
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**Review Date:** 04 MAR 2003  
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**TAGS:** EWWT, OECD  
**To:** STATE  
**Type:** TE  
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